1:Stanford U. S-4, 5 1956 AF16 SW China
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constantly patrolled, and each village near the right-of-way must maintain a specially organized force for this purpose and participate in the guard duty for a 72-hour period every month.[40] In addition, the village maintains a militia in which all the young residents must serve. Besides training or participating in the unit's cultural and indoctrination activities, the militia patrols key areas in the village, guards government grain, helps in loading it for shipment, and assists in keeping the village free of bandits. Misuse of the militia by the Southwest China Military Command in 1953 was criticized as having wasted 24,700 man-hours per day.[41]

Similar public and military services are required of city dwellers. They must engage in military training, participate in the local military unit's cultural and organizational activities, and serve on patrols in their own or neighboring areas whenever needed.

Controls imposed upon the people by security agencies and other organizations

40. Ibid., Nov. 11, 1951, p. 4.

41. Report of the Second Southwest China Militia Conference, Ibid., May 20, 1953, p.1.

1:Stanford U. S-4, 5 1956 AF16 SW China
[redacted] AF16

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have been frequent causes of public discontent. The large-scale rationing program enforced in the cities and the constant investigations conducted by public security agencies cause a great deal of anger, if not outbreaks of violence. To some extent, at least, the Communists recognize the limits of public inconvenience and dissatisfaction. The regime seeks to offset disaffection by emphasizing in its propaganda the necessity and patriotism of individual sacrifice for the national welfare. If some non-vital aspect of the Communist program occasions bitter and widespread complaint, the regime bends to public opinion and institutes changes. Wherever possible, the Communists attempt to avoid the flagrant use of threats and force in approaching and controlling the public. Nevertheless, the regime has been far from successful in preventing public discontent.

B. Tension within Organizations

578 The use of various overlapping control agencies to supervise and ensure the execution of Party directive has created suspicion and tension within the control agencies themselves and the supervised state, Party,

1:Stanford U. S-4, 5 1956 AF16 SW China
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472 squeezed out of business or transformed into
656 retail traders acting as agents of state trading companies. They are compelled to accept "socialist transformation."

After the "planned purchase and supply of grains" was introduced, nearly all of the retail dealers in grain were "transformed" into agents of the state grain markets. By the first half of 1955, over 33 per cent of the retail traders in China were acting as agents for state trading companies or co-operatives.[92] According to Communist plans, the total volume of private retail trade will be decreased from 65.9 per cent of the total retail trade in 1953 to 45.1 per cent in 1957.[93]

## VI. FOOD RATIONING AND GRAIN TRADE

• 434 Rationing was first applied to food grain on November 19, 1953, in accordance with a government order for the enforcement of "planned purchase and planned supply of grains," designed to control the distribution of food during the period of reconstruction.

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92. Industry and Commerce, Peking, Aug. 10, 1955, No. 8, pp. 17.
93. Ibid., p. 18.

1:Stanford U. S-4, 5 1956 AF16 SW China
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434 The stocks of all traders engaged in the sale of grain or other essential foodstuffs became the property of the state, which was to determine the ration and fix the official purchasing price and the retail selling price of various grains.[94]

In order to facilitate the work of rationing in cities, industrial and mining districts, and in rural areas where not enough grain was produced, state grain markets were established throughout the country. Upon the establishment of state grain markets, all private wholesale or retail grain shops in Southwest China were either forced out of business or were "transformed" under state guidance.[95]

Because of periods of flood and drought in 1953 and 1954, the production of grain in some regions of China was not sufficient to meet local demands. The system of rationing was unsatisfactory and caused discontent among the people. In rural districts, the implementation of the "San-ting" policy, i.e., the fixing of production, purchase, and supply quotas, resulted in great dissatisfaction among the farmers, who were unable to meet

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94. Far Eastern Economic Review, Hong Kong, May 12, 1955, No. 17, p. 604.

95. China Weekly, Hong Kong, April 12, 1954, pp. 12-14.

1:Stanford U. S-4, 5 1956 AF16 SWChina
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434 the demands of the Communist cadres. In many cases farmers found it impossible to feed themselves and their families. In urban areas the per capita ration was too small for the maintenance of minimum subsistence standards.

## VII. TRADE FAIRS

543 In order to stimulate trade and facilitate
443 the interflow of commodities between the
438 urban and rural areas, the Chinese Communists have held a number of "Local Produce Fairs" in most of the principal cities throughout Southwest China. Some of the more notable fairs held in 1952 are shown in the following table:

H. Davies G-3 (1894-1900) 1909 AF16 Southwest China AF16

# CHAPTER XII

## SSŬ-MAO AND P'U-ÊRH.

The town and plain of Ssŭ-mao—A commercial centre—The famous P'u-êrh tea—Cotton—A treaty port—French travellers—A Tibetan caravan—The Ma-hei tribe—P'u-êrh—An official town—An uncivil official—A friendly Shan—Routes westward from P'u-êrh.

361 Ssŭ-mao T'ing was the first real Chinese town I had come across since leaving Mien-ning nearly six weeks before. It is built on the end of a low spur which runs down from the hills to the east of the plain and is surrounded by a 25 feet brick wall, about a mile in perimeter. Inside the city are some 1,300 houses, but the business quarter is in a large suburb of 1,700 houses outside the south gate. The plain is some 10 miles long by three miles wide, and is at an elevation of 4,800 feet. Like many other places in Yün-nan it was formerly a Shan state, and it is still known to the Shans by the name of Möng La.

438 245 It is, for Yün-nan, a large commercial centre, the trade being principally confined to tea and cotton, both of which commodities are brought from the Shan States which lie to the south. The tea, which under the name of P'u-êrh tea is famous for its good quality throughout the Chinese Empire, is grown in the hills from six to twelve marches south of the town, in the Chinese Shan State of Keng Hung, or Chiu-lung-chiang as it is called by the Chinese. The principal tea-growing centres that I could hear of are Yi-pang, Yi-wu, Yu-lo, Man-sa, and Man-la, all of which places are in Keng Hung territory to the east of the Mekong. The yearly output is estimated at 15,000 mule-loads, which would amount to some 900 tons. Its price averages about [434] three pounds for a rupee (1*s.* 4*d.*). The value of the annual export would then, if these figures are correct, amount roughly to 670,000 rupees, say £45,000.

[p. 96]